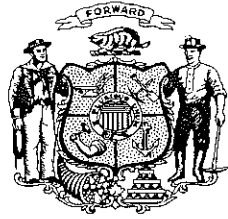


# STATE OF WISCONSIN

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Mark Miller  
Representative Mark Pocan

Date: December 15, 2010

Re: DCF Monthly Report on the Wisconsin Shares Program

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

The report is being provided at the request of the Co-Chairs to review the progress on fraud prevention and investigation on overpayment collections. The Co-Chairs requested the report be submitted to the Committee by the 15<sup>th</sup> day of each month.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP:jm

Jim Doyle  
Governor

Reggie Bicha  
Secretary



**State of Wisconsin**  
Department of Children and Families

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December 15, 2010

Honorable Mark Miller, Senate Co-Chair  
Joint Committee on Finance  
Room 317 East, State Capitol  
Madison, WI 53702

**RECEIVED**  
DEC 15 2010  
BY: St. Finance

Honorable Mark Pocan, Assembly Co-Chair  
Joint Committee on Finance  
Room 309 East, State Capitol  
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

This letter provides the Department of Children and Families' December 2010 report on the Wisconsin Shares Program. The information below is a compilation of data requested by the Committee related to DCF's fraud prevention, investigation and overpayment collection activity.

Following is a summary of November 2010 efforts.

**Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, November 2010**

*Expenditures related to fraud prevention and investigation: \$203,900*

The above amount represents the November 2010 costs of the Child Care Fraud Detection and Investigation Unit; information technology programming costs; and an estimate of county expenditures from their DCF fraud allocation related to investigating suspected fraudulent activity.

*Expenditures related to recovering overpayments due to error or fraud: \$38,700*

The November 2010 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

*Overpayment and/or restitution collected by DCF: \$141,464*

In November 2010, DCF collected \$48,770 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$92,694 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are due to DCF as a result of an administrative finding that an overpayment has occurred.

*Overpayment and/or restitution collected by other agencies: \$0*

No overpayments and/or restitution collections have been reported by other agencies in November 2010 to DCF.

**Providers Suspended from the Wisconsin Shares Program, November 2010**

During the month of November, DCF suspended payments to three child care providers all from Milwaukee County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during November a total of \$57,045 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. Through November the cumulative total for overpayments established against suspended providers since January of 2009 stands at \$5,861,458.

**Automatic Authorization of Child Care Hours System**

*Number of changes made to authorized hours during the month: 2,486 changed authorizations*  
This figure reports the total number of active authorizations in November that were reduced by the automated system.

*Total reduction made to the authorized hours during the month: 23,092 hours*  
This figure reports the total number of hours taken off of active authorizations in November that were reduced by the automated system.

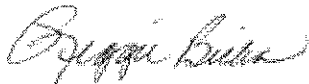
*Estimated savings in the month due to the automated authorization adjustment system: \$155,304*  
This is an estimate of the maximum potential savings for those active authorizations in November that were reduced by the automated system.

*Were child care quality improvements identified via use of the new system?* To date, no.  
The system was launched on May 15, 2010 and was designed primarily to improve consistency in the authorization process rather than to identify opportunities for making quality improvements.

*Estimated annualized ongoing costs to operate the automated system: \$50,000*  
The primary ongoing cost is for mailing notices to parents and providers. Ongoing staff time to run the automated check is estimated at 30 minutes per month.

Thank you for the opportunity to share information on the status of the Shares program.

Sincerely,



Reggie Bicha  
Secretary

cc: Dan Schooff, Department of Administration  
Bob Lang, Legislative Fiscal Bureau

**Wisconsin Shares Provider Suspensions  
November 2010**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Angels Of Mine Family Day Care	Milwaukee	11/06/2010	The provider was suspended from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and the following investigative findings: 1) the provider's failure to provide access to the day care facility during the stated hours of operation on six separate occasions; 2) prior licensing citations and warnings; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program. The Department reviewed the provider's billing. Contrary to statute and rule, the provider billed the Wisconsin Shares program for more hours of care than the provider was authorized to provide according to the provider's child care license limit of eight children in care at any one time during the provider's licensed hours of operation. The provider billed those excessive hours for the week of 6/13/2010. The Department also has evidence that the provider either billed for more hours of care than what was actually performed or the provider billed the Wisconsin Shares program for care while the provider was not regulated to do so.	Yes	No	No	No

**Wisconsin Shares Provider Suspensions  
November 2010**

<b>Child Care Provider</b>	<b>County</b>	<b>Suspension Date</b>	<b>Suspension Reason</b>	<b>Payment Stopped?</b>	<b>Overpayment Established</b>	<b>Referred to Law Enforcement</b>	<b>Collection</b>
Infant Toddler University LTD	Milwaukee	11/19/2010	The provider was suspended from the Wisconsin Shares program for failing to comply with the terms of a conditional reinstatement to the Shares program, agreed to by the provider following a previous suspension. Specifically, the provider continuously failed to maintain and submit accurate attendance records as required by both the Wisconsin Shares program and the signed stipulation which had allowed this provider to be reinstated into the Shares program.	Yes	\$1,271.52	No	No
Yolanda Ford	Milwaukee	11/19/2010	The provider was suspended from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and the following investigative findings: 1) the provider's failure to provide access to the day care facility during stated hours of operation and 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program.	Yes	No	No	No